

Message Text

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SUBJECT: NYE STATEMENT BEFORE SUBCOMMITTEE ON AFRICA

REF: PRETORIA 3438

1. FOLLOWING IS FULL TEXT OF MR. NYE'S STATEMENT BEFORE THE
SUBCOMMITTEE ON INTERNATIONAL RELATIONS:

2. I AM PLEASED TO HAVE THIS THIRD OPPORTUNITY TO TESTIFY
BEFORE THE INTERNATIONAL RELATIONS COMMITTEE ON OUR NON-
PROLIFERATION AND NUCLEAR EXPORT POLICIES. ON MY APPEARANCE
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ON MAY 19, 1977, I OUTLINED THE GENERAL PHILOSOPHY OF THE
ADMINISTRATION'S POLICY. IN ADDITION I DISCUSSED SOME OF
THE INTERNAL POLICY DECISIONS THAT HAVE BEEN TAKEN BY THE
PRESIDENT AS WELL AS SOME OF THE DETAILS OF THE ADMINISTRA-
TION'S COMPREHENSIVE LEGISLATIVE PROPOSAL -- H.R. 6910,
THE "NUCLEAR NON-PROLIFERATION POLICY ACT OF 1977." ON
MY APPEARANCE ON MAY 24, 1977, I TESTIFIED ON THE NON-
PROLIFERATION ASPECTS OF THE 1978 ERDA AUTHORIZATIONS.
SINCE TODAY'S HEARING IS MY FIRST APPEARANCE BEFORE THE
SUBCOMMITTEE ON AFRICA I WOULD LIKE TO TAKE THE LIBERTY

OF SUMMARIZING SOME ASPECTS OF MY PREVIOUS TESTIMONY ON NON-PROLIFERATION SO AS TO PROVIDE A FRAMEWORK FOR A MORE SPECIFIC DISCUSSION OF THE ISSUE OF NUCLEAR EXPORTS TO THE REPUBLIC OF SOUTH AFRICA.

AS YOU KNOW, PRESIDENT CARTER HAS FROM THE START OF HIS ELECTION CAMPAIGN MADE CURBING NUCLEAR PROLIFERATION ONE OF HIS TOP PRIORITIES OUT OF A DEEP CONVICTION OF ITS IMPORTANCE FOR FUTURE GENERATIONS. THE INTERNATIONAL RELATIONS COMMITTEE HAS SHOWN EQUAL CONCERNS ABOUT NON-PROLIFERATION AS INDICATED BY ITS PAST ACTIONS. THE GOAL OF BOTH THE LEGISLATIVE AND EXECUTIVE BRANCHES IS TO LIMIT THE NUMBER OF NATIONS WITH NUCLEAR EXPLOSIVE CAPABILITIES. ANY INCREASE IN THE NUMBER OF NATIONS POSSESSING A NUCLEAR WEAPONS CAPABILITY WOULD HAVE THE MOST SERIOUS RAMIFICATIONS FOR THE STABILITY OF THE WORLD. SUCH A SITUATION WOULD INCREASE THE PROSPECTS OF NUCLEAR WAR, ADVERSELY AFFECT OUR ABILITY TO CONTROL INTERNATIONAL EVENTS, HAVE A DISSOLVENT EFFECT ON INTERNATIONAL RELATIONSHIPS, AND INCREASE THE PROSPECT OF TERRORIST NUCLEAR ATTACK. IT WOULD ALSO SIGNIFICANTLY IMPEDE INCREASED USE OF THE ATOM FOR PEACEFUL PURPOSES, THEREBY CAUSING GREATER RELIANCE ON IMPORTED OIL. HENCE, OUR CHALLENGE IS TO ACHIEVE A PRUDENT BALANCE BETWEEN THE BENEFITS OF NUCLEAR UNCLASSIFIED

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ENERGY AND THE RISKS INHERENT IN IT.

AS WE EXAMINE THE PROBLEM OF PROLIFERATION, THERE APPEARS TO BE TWO CRUCIAL ELEMENTS: (1) THE MOTIVATION TO ACQUIRE NUCLEAR EXPLOSIVE DEVICES AND (2) THE TECHNICAL CAPABILITY TO DO SO. NEITHER ASPECT CAN BE IGNORED. FIRST, WE MUST DIMINISH THE POLITICAL AND SECURITY MOTIVATIONS THAT LEAD STATES TO ACQUIRE AN EXPLOSIVE CAPABILITY. OUR BILATERAL AND MULTILATERAL SECURITY GUARANTEES CONTRIBUTE SIGNIFICANTLY TO REDUCING THE INCENTIVES OF STATES TO ACQUIRE NUCLEAR WEAPONS. SIMILARLY, THE NON-PROLIFERATION TREATY PROVIDES AN ESSENTIAL FRAMEWORK FOR AFFECTING MOTIVATION, INsofar AS IT REASSURES NATIONS THAT THEIR NEIGHBORS ARE CONFINING THEIR NUCLEAR ACTIVITIES TO PEACEFUL PURPOSES, AND THAT IN THE EVENT OF DIVERSION TO EXPLOSIVE PURPOSES, THE TREATY'S SAFEGUARD SYSTEM WOULD GIVE TIMELY WARNING FOR DIPLOMACY TO WORK. IN GENERAL TERMS, THE NPT REPRESENTS AN INTERNATIONAL REGIME IN WHICH STATES AGREE THAT THEIR SECURITY INTERESTS WOULD BE BETTER SERVED BY AVOIDING THE FURTHER SPREAD OF NUCLEAR WEAPONS CAPABILITIES. THIS ALSO DIMINISHES THE MOTIVATION OF NPT PARTIES TO SEEK THE NUCLEAR EXPLOSIVES OPTION. FOR THIS REASON AND BECAUSE IT IS AN INDISPENSABLE FRAMEWORK FOR EFFECTIVE NON-PROLIFERATION EFFORTS, WE CONTINUE TO SEEK THE WIDEST POSSIBLE ADHERENCE TO THE NPT.

THE NPT IS A DELICATE INTERNATIONAL ARRANGEMENT IN WHICH

STATES HAVE ACCEPTED AN EXPLICITLY DISCRIMINATORY STATUS
IN THE MILITARY AREA. BUT IT IS IMPERATIVE THAT OUR
NUCLEAR POLICIES NOT DISCRIMINATE AMONG NPT ADHERENTS

WITH REGARD TO CIVIL NUCLEAR COOPERATION. THE ESSENCE OF
THE TREATY IS A COMPROMISE IN WHICH DISCRIMINATION IS
ACCEPTED IN THE MILITARY SPHERE -- BETWEEN NUCLEAR AND
NON-NUCLEAR WEAPON STATES -- IN RETURN FOR THE ENERGY
BENEFITS OF THE ATOM IN THE CIVIL SPHERE. FOR NUCLEAR
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WEAPON STATES TO ADOPT DISCRIMINATORY POLICIES ON THE
CIVIL SIDE WOULD DESTROY THE VERY FABRIC OF THE NPT AND,
WITH IT, ONE OF THE KEY NON-PROLIFERATION INSTITUTIONS.

IN SUM, THEREFORE, WE MUST BE ACUTELY SENSITIVE TO THE
POLITICAL AND SECURITY MOTIVATIONS THAT LEAD STATES TO
ACQUIRE NUCLEAR EXPLOSIVE DEVICES. IN GENERAL, THIS RE-
QUIRES MEASURES SUCH AS ENSURING THE CREDIBILITY OF
EXISTING SECURITY GUARANTEES, MAKING PROGRESS IN ACHIEVING
MEANINGFUL AND VERIFIABLE ARMS CONTROL AGREEMENTS THAT
REDUCE NUCLEAR WEAPON FORCE LEVELS AND LIMIT OR PROHIBIT
NUCLEAR TESTING, STRENGTHENING OUR ALLIANCES, AND DE-
VALUING THE PRESTIGE IDENTIFIED WITH A NUCLEAR WEAPON.
THE OTHER ELEMENT OF THE PROLIFERATION PROBLEM -- TECHNICAL
CAPABILITY -- PRESENTS US WITH A VERY DIFFERENT SET
OF CHALLENGES OF A MORE IMMEDIATE NATURE. FOR IF MOTIVATIONS
COINCIDE WITH A CAPABILITY TO PRODUCE NUCLEAR
EXPLOSIVE DEVICES, FURTHER PROLIFERATION IS ALL BUT IN-
EVITABLE. AS COMMERCIAL NUCLEAR CAPABILITIES SPREAD,
PARTICULARLY THE SENSITIVE FACILITIES OF ENRICHMENT AND
REPROCESSING THAT CAN PRODUCE WEAPONS-USABLE MATERIAL,
THE NUMBER OF STATES NEAR THE NUCLEAR WEAPONS THRESHOLD
INCREASES. WE MUST THEREFORE SEEK TO AVERT THE FURTHER
SPREAD UNDER NATIONAL CONTROL OF FACILITIES AND MATERIALS
CAPABLE OF QUICK OR EASY CONVERSION TO WEAPONS PURPOSES,
WHILE MEETING OUR OBLIGATIONS UNDER THE NPT. WE NEED TO
STRENGTHEN THE NPT AND IAEA SAFEGUARDS TO ENSURE THAT WE
HAVE AS MUCH TIME AS POSSIBLE FOR DIPLOMACY TO WORK IN THE
EVENT OF DELIBERATE DIVERSION AND TO HELP TO DETER SUCH
DIVERSION. TO DATE, THE IAEA SAFEGUARD SYSTEM HAS BEEN
SUCCESSFUL IN THE CASE OF THE CURRENT GENERATION OF
REACTORS IN THAT IT PROVIDES AN ALARM THAT WOULD RING
EARLY ENOUGH FOR DIPLOMACY TO WORK IN THE EVENT OF
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DELIBERATE DIVERSION.

CONCURRENTLY, OUR POLICY RECOGNIZES THE CONCERN OF OTHER
COUNTRIES FOR SECURITY OF FUEL SUPPLY. TO ACCOMMODATE

THIS NEED, WE WILL BE EMBARKING ON A WIDE-RANGING PROGRAM TO EXAMINE WAYS TO PROVIDE AN ASSURED SUPPLY OF NON-SENSITIVE NUCLEAR FUEL SERVICES ON A TIMELY, ADEQUATE, RELIABLE, AND ECONOMIC BASIS, HENCE OUR DECISION TO EXPAND US ENRICHMENT CAPACITY AND TO REOPEN OUR ORDER BOOKS. IN ADDITION, WE WILL EXAMINE WAYS TO GO BEYOND A STRICTLY BILATERAL APPROACH. WE BELIEVE WE SHOULD EXPLORE:

-- MULTILATERAL ARRANGEMENTS DESIGNED TO SUBSTANTIATE GUARANTEES TO CONSUMERS AS WELL AS TO ASSURE ACCESS TO FUEL SUPPLY BY REACTOR EXPORTERS HAVING NO INDIGENOUS FUEL CAPABILITIES AND RESOURCES; AND

-- WIDER INTERNATIONAL ARRANGEMENTS SUCH AS AN "INTERNATIONAL FUEL BANK" WHICH MIGHT SERVE AS A CONTINGENCY RESERVE.

PROBLEMS RELATED TO THE BACK END OF THE FUEL CYCLE, PRINCIPALLY THE NEED TO ENSURE ADEQUATE SPENT FUEL AND NUCLEAR WASTE STORAGE, ARE EQUALLY URGENT. WE ARE PRESENTLY STUDYING A WIDE RANGE OF POSSIBLE SOLUTIONS, INCLUDING EXPANDING DOMESTIC US STORAGE CAPACITY FOR SPENT FUEL, THE IDEA OF MAKING STORAGE CAPACITY AVAILABLE FOR THE INTERIM STORAGE OF FOREIGN SPENT FUEL, AND INTERNATIONAL SPENT FUEL STORAGE ARRANGEMENTS, INCLUDING REGIONAL CENTERS.

MY COMMENTS THUS FAR HAVE PRIMARILY RELATED TO THE CURRENT GENERATION OF NUCLEAR REACTORS. WITH RESPECT TO THE NEXT GENERATION, WE HAVE EMBARKED ON A MAJOR PROGRAM TO JOIN US IN AN INTERNATIONAL NUCLEAR FUEL CYCLE EVALUATION. WE ENVISION THAT THIS EVALUATION WOULD DEVELOP TECHNICAL UNCLASSIFIED

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AND INSTITUTIONAL INFORMATION ON EXISTING AND FUTURE NUCLEAR ENERGY SYSTEMS WHICH WOULD REDUCE THE MAXIMUM POTENTIAL RISKS OF PROLIFERATION WHILE ENSURING FOR EACH NATION SAFE AND ACCEPTABLE SOURCES OF ENERGY FROM AN ECONOMIC AS WELL AS ENVIRONMENTAL POINT OF VIEW. AMONG THE SPECIFIC AREAS THE EVALUATION WOULD EXAMINE ARE URANIUM FEED AND HEAVY WATER AVAILABILITY, URANIUM ENRICHMENT REQUIREMENTS AND CAPACITY LONG-TERM FUEL ASSURANCES, REPROCESSING AND RECYCLE, FAST BREEDERS, SPENT FUEL STORAGE, BOTH SHORT AND LONG TERM, METHODS TO INCREASE ONCE-THROUGH URANIUM UTILIZATION, AND OTHER REACTOR AND FUEL CYCLE CONCEPTS.

ON APRIL 27, 1977, THE PRESIDENT SUBMITTED TO THE CONGRESS H.R. 6910, THE "NUCLEAR NON-PROLIFERATION POLICY ACT OF 1977." THIS BILL WOULD ESTABLISH THE CRITERIA TO BE USED BY THE NUCLEAR REGULATORY COMMISSION FOR NUCLEAR EXPORTS. IN ADDITION THE BILL WOULD STRENGTHEN THE REQUIREMENTS

FOR NEW AGREEMENTS FOR COOPERATION BY MODIFYING THE CONTENTS OF SECTION 123 OF THE ATOMIC ENERGY ACT. THESE ADDITIONAL NUCLEAR EXPORT CRITERIA WOULD BE REQUIRED FOR NEW AGREEMENTS FOR CIVIL NUCLEAR COOPERATION. A CORNERSTONE AMONG THESE IS OUR PROPOSAL TO REQUIRE, AS A CONTINUING CONDITION OF US SUPPLY, THAT RECIPIENTS HAVE THEIR NUCLEAR ACTIVITIES UNDER IAEA SAFEGUARDS. THE

ADMINISTRATION BILL IS DESIGNED TO GIVE THE PRESIDENT THE ABILITY TO DEAL WITH THE EXTREMELY COMPLEX PROBLEM OF PROLIFERATION IN A MANNER WHICH WILL BEST SUIT THE CIRCUMSTANCES OF PARTICULAR CASES. FOR EXAMPLE, INSTEAD OF REQUIRING COUNTRIES THAT WANT OUR NUCLEAR EXPORTS TO FORESWEAR FUEL ENRICHMENT AND REPROCESSING FOR ALL TIME, IT ALLOWS US TO DRAFT NEW AGREEMENTS USING INCENTIVES TO UNCLASSIFIED

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DISCOURAGE COUNTRIES FROM ACQUIRING SUCH FACILITIES. ALONG WITH THE MEASURES OF H.R. 6910 THE PRESIDENT SET FORTH ADDITIONAL POLICY DECISIONS IN A FACT SHEET RELEASED BY THE WHITE HOUSE.

TO SUMMARIZE, THE CARTER ADMINISTRATION NON-PROLIFERATION POLICY COMBINES TWO ELEMENTS OF CONTINUITY WITH FOUR NEW ELEMENTS. FIRST, THE PRESIDENT HAS REAFFIRMED OUR COMMITMENT TO THE CURRENT GENERATION OF NUCLEAR REACTORS, AND OUR WILLINGNESS TO COOPERATE IN ASSISTING COUNTRIES WITHIN THE SAFEGUARDS FRAMEWORK ESTABLISHED BY THE IAEA AND THE NON-PROLIFERATION TREATY. THE SECOND POINT OF CONTINUITY WAS THE DECISION TO CONTINUE AND EXTEND PRESIDENT FORD'S DECLARATION OF A MORATORIUM ON REPRODUCING AND RECYCLING OF PLUTONIUM IN THE UNITED STATES.

IN ADDITION, PRESIDENT CARTER HAS TAKEN FOUR NEW STEPS. FIRST, HE HAS SUBMITTED LEGISLATION TO CONGRESS THAT TIGHTENS THE CONDITIONS FOR NUCLEAR EXPORTS FROM THE UNITED STATES, BUT AVOIDS A MORATORIUM ON EXPORTS THAT WOULD HAVE THE EFFECT OF REDUCING OUR INFLUENCE IN THIS AREA. SECOND, HE HAS TAKEN STEPS TO INVESTIGATE WITH OTHER COUNTRIES THE POSSIBILITY OF PROVIDING MULTILATERAL INCENTIVES OF ENRICHED FUEL ASSURANCES AND ASSISTANCE WITH SHORT-TERM SPENT FUEL STORAGE. THIRD, HE HAS PROPOSED TO DEFER EARLY COMMERCIALIZATION OF OUR BREEDER REACTOR PROGRAM AND TO RESTRUCTURE IT TO SEARCH FOR MORE PROLIFERATION RESISTANT AND SAFEGUARDABLE BREEDER FUEL CYCLES.

FINALLY, IN ORDER TO ADVANCE A MUTUAL LEARNING PROCESS THAT CAN STIMULATE VOLUNTARY COORDINATION OF POLICIES INTERNATIONALLY, THE PRESIDENT HAS LAUNCHED THE INTERNATIONAL NUCLEAR FUEL CYCLE EVALUATION. WE HAVE BEEN IN TOUCH WITH A BROAD RANGE OF COUNTRIES, DELIBERATELY AVOIDING ANY DIVISIONS BETWEEN CONSUMERS AND SUPPLIERS, RICH AND POOR,

AS WE TRY TO DEVELOP AN INTERNATIONAL CONSENSUS ON HOW TO
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MAKE THE NEXT GENERATION OF NUCLEAR TECHNOLOGY SAFE.

TURNING TO SOUTH AFRICA, THE QUESTION OF OUR FUTURE NUCLEAR
RELATIONSHIP WITH THAT COUNTRY IS CURRENTLY UNDER INTENSIVE
STUDY. OUR NUCLEAR RELATIONSHIP WITH SOUTH AFRICA MUST
TAKE INTO ACCOUNT OUR GLOBAL NON-PROLIFERATION OBJECTIVE.

THE ADMINISTRATION'S PROPOSED LEGISLATION IS DESIGNED TO
MOVE COUNTRIES TOWARD NPT ADHERENCE OR ACCEPTANCE OF FULL-
SCOPE SAFEGUARDS AS NECESSARY CONDITIONS FOR THE FUTURE
SUPPLY OF NUCLEAR MATERIALS.

UNDER THE ADMINISTRATION'S NON-PROLIFERATION BILL, H.R.
6910, IN ORDER TO CONTINUE NUCLEAR EXPORTS TO SOUTH
AFRICA, CERTAIN IMMEDIATE CRITERIA WOULD HAVE TO BE MET.
THESE CRITERIA INCLUDE: A REQUIREMENT FOR IAEA SAFEGUARDS,
AN UNDERTAKING NOT TO USE TRANSFERRED MATERIAL FOR ANY
EXPLOSIVE DEVICE, A US RETRANSFER VETO, AND A US REPROCESS-
ING VETO. OTHER THAN SOME AMBIGUITY ON THE ACCEPTANCE
OF OUR VIEW ON PEACEFUL NUCLEAR EXPLOSIONS, AND SOME
QUESTIONS ON PHYSICAL SECURITY THE CURRENT AGREEMENT FOR
COOPERATION WITH SOUTH AFRICA MEETS ALL THESE CONDITIONS.

IN ADDITION, THE ADMINISTRATION'S BILL REQUIRES THAT THE
PRESIDENT INSTITUTE AN IMMEDIATE PROGRAM TO RENEGOTIATE
EXISTING AGREEMENTS FOR COOPERATION. THE NEW TERMS THAT
WE WOULD SEEK ARE SET FORTH IN OUR PROPOSED SECTION 123 OF
THE ATOMIC ENERGY ACT. THESE INCLUDE A REQUIREMENT OF
FULL SCOPE SAFEGUARDS AS A CONTINUING CONDITION OF US
SUPPLY. WE WOULD ALSO INCORPORATE PROVISIONS TO ESTABLISH
SAFEGUARDS AND OTHER CONTROLS ON NON-US-ORIGIN FUEL IN
US REACTORS.

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AT THE SAME TIME, OUR FUTURE NUCLEAR RELATIONSHIP WITH
SOUTH AFRICA MUST REFLECT THE SPIRIT OF OUR OVERALL POLICY
TOWARD SOUTH AFRICA. THE ADMINISTRATION IS VERY MUCH
AWARE OF THE REGIONAL CONFLICTS IN SOUTHERN AFRICA AND
THE SOCIAL TENSIONS AND VIOLENCE PRESENT IN SOUTH
AFRICA.

MOREOVER, IT IS THE PRESIDENT'S POLICY TO SEEK A PRO-
GRESSIVE TRANSFORMATION OF SOUTH AFRICAN SOCIETY. VICE
PRESIDENT MONDALE CONVEYED TO PRIME MINISTER VORSTER
DURING THEIR MAY TALKS IN VIENNA THE MESSAGE THAT UNLESS
SOUTH AFRICA MOVED AWAY FROM RACIAL DISCRIMINATION AND

TOWARDS FULL POLITICAL PARTICIPATION FOR ALL SOUTH AFRICANS, OUR RELATIONS WOULD DETERIORATE. SECRETARY VANCE IN A JULY 1 SPEECH REITERATED THE BASIC TENETS OF AMERICAN POLICY TOWARD SOUTH AFRICA.

WE ARE KEENLY AWARE THAT US NUCLEAR COOPERATION WITH SOUTH AFRICA HAS IN THE PAST BEEN HEAVILY CRITICIZED AS CONSTITUTING SUPPORT FOR THE SOUTH AFRICAN GOVERNMENT AND ITS POLICIES. THIS IS NOT OUR INTENTION. THE PENDING

LEGISLATION WOULD TIGHTEN OUR CONDITIONS FOR NUCLEAR COOPERATION WITH SOUTH AFRICA. A NUMBER OF SPECIFIC POLICY DECISIONS NEED TO BE MADE. THESE DECISIONS MUST BE MADE IN LIGHT OF THE FACT THAT SOUTH AFRICA HAS NATURAL URANIUM AND AN UNSAFEGUARDED PILOT ENRICHMENT PLANT. WHEN NATIONS HAVE ADVANCED CAPABILITIES, WE MUST BE CAREFUL NOT TO INCREASE THEIR MOTIVATION TO DEVELOP NUCLEAR WEAPONS.

WE BELIEVE IT ESSENTIAL TO BRING SOUTH AFRICAN CAPABILITIES AND MOTIVATIONS WITHIN THE INTERNATIONAL SAFEGUARDS SYSTEM AND THE REGIME OF THE NON-PROLIFERATION TREATY. WHATEVER POLICY CHOICES WE MAKE, WE MUST FOCUS ON OUR VITAL INTERESTS IN KEEPING AFRICA FREE OF NUCLEAR UNCLASSIFIED

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WEAPONS.

MR. CHAIRMAN, YOU HAVE EXPRESSED INTEREST IN DISCUSSING SEVERAL OTHER RELATED SUBJECTS. OUR RESPONSES ARE AS FOLLOWS:

LEGAL BASIS FOR NUCLEAR COOPERATION WITH SOUTH AFRICA

THE ATOMIC ENERGY ACT OF 1954, AS AMENDED, HAS AS ONE OF ITS PURPOSES PROVIDING FOR "A PROGRAM OF INTERNATIONAL COOPERATION... TO MAKE AVAILABLE TO COOPERATING NATIONS THE BENEFITS OF PEACEFUL APPLICATIONS OF ATOMIC ENERGY AS WIDELY AS EXPANDING TECHNOLOGY AND CONSIDERATIONS OF THE COMMON DEFENSE AND SECURITY WILL PERMIT." SECTION 123 OF THE ACT ESTABLISHED PROCEDURES AND REQUIREMENTS FOR AGREEMENTS FOR COOPERATION WITH OTHER NATIONS. PURSUANT TO THE PROCEDURES AND REQUIREMENTS OF THIS SECTION, THE UNITED STATES AND SOUTH AFRICA CONCLUDED AN AGREEMENT FOR COOPERATION CONCERNING THE CIVIL USES OF ATOMIC ENERGY WHICH ENTERED INTO FORCE IN 1957 AND WHICH HAS SINCE BEEN AMENDED IN 1962, 1967 AND 1974. US NUCLEAR COOPERATION WITH SOUTH AFRICA IS UNDERTAKEN PURSUANT TO THIS AGREEMENT FOR COOPERATION.

ROLE OF US GOVERNMENT IN DEVELOPING SOUTH AFRICA'S NUCLEAR CAPABILITY

SOUTH AFRICA BECAME AN IMPORTANT SUPPLIER OF URANIUM TO THE UNITED STATES BEGINNING IN 1953. THESE SHIPMENTS CONTINUED UNTIL THE EARLY 1960'S WHEN OUR REQUIREMENTS FOR FOREIGN URANIUM DECLINED. IN THE MEANTIME, THE US EMBARKED ON ITS PROGRAM OF PEACEFUL NUCLEAR COOPERATION

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BEGINNING IN 1955. IN PURSUANCE OF THIS PROGRAM, WE ENTERED INTO AN AGREEMENT FOR NUCLEAR COOPERATION WITH SOUTH AFRICA ON JULY 8, 1957. THE AGREEMENT WAS SIMILAR TO THOSE ENTERED INTO WITH APPROXIMATELY FORTY OTHER NATIONS ABOUT THE SAME TIME. IT PROVIDED FOR COOPERATION IN VARIOUS PEACEFUL USES OF NUCLEAR ENERGY, UNDER SAFEGUARDS AND CONTROLS DESIGNED TO ENSURE THAT US ASSISTANCE WOULD NOT BE APPLIED TO MILITARY USES. THE INITIAL TYPE OF COOPERATION WAS IN THE AREA OF RESEARCH, BUT EVENTUAL COOPERATION IN NUCLEAR POWER WAS ENVISIONED FROM THE BEGINNING.

WITH RESPECT TO ITS US-BUILT RESEARCH REACTOR, CALLED SAFARI-1, THE US SUPPLIED 104 KG OF FUEL BETWEEN 1965 AND 1975. MOST OF THIS HAS BEEN IRRADIATED AND RETURNED TO THE US. A SOUTH AFRICAN REQUEST FOR AN ADDITIONAL 26 KG OF HIGHLY ENRICHED URANIUM FUEL FOR THIS REACTOR IS NOW UNDER CONSIDERATION WITHIN THE ADMINISTRATION. THIS SMALL REACTOR (20 MEGAWATTS THERMAL) USES HIGHLY ENRICHED URANIUM (93 PERCENT) FOR ENGINEERING TESTS, ISOTOPE PRODUCTION, AND FUEL ELEMENT DEVELOPMENT. OUR AGREEMENT FOR COOPERATION SPECIFIES THAT THE AMOUNT OF HEU SUPPLIED TO SOUTH AFRICA MAY NOT AT ANY ONE TIME EXCEED THE QUANTITY NECESSARY FOR THE LOADING OF THE REACTOR PLUS SUCH ADDITIONAL QUANTITIES AS MAY BE NEEDED FOR THE EFFICIENT AND CONTINUOUS OPERATION OF THE REACTOR. THE AGREEMENT ALSO PROVIDED THAT ANY REPROCESSING SHALL BE PERFORMED IN FACILITIES ACCEPTABLE TO THE US AND THAT NO MATERIALS SUPPLIED UNDER THE AGREEMENT MAY BE TRANSFERRED OUT OF SOUTH AFRICA UNLESS THE US AGREES.

THE AGREEMENT WAS AMENDED THREE TIMES -- IN 1962, 1967, AND 1974 -- IN KEEPING WITH OUR NORMAL PRACTICE OF EXTENDING THE TERMS AND SCOPE OF SUCH AGREEMENTS, AS COOPERATION PROCEEDED. THE 1967 AMENDMENT SPECIFICALLY PROVIDED FOR COOPERATION IN NUCLEAR POWER INCLUDING THE EXPORT OF

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POWER REACTORS, BUT NO PROVISION WAS MADE IN THE AMENDMENT FOR THE EXPORT OF NUCLEAR FUEL IN POWER REACTOR QUANTITIES AS SOUTH AFRICA HAD NOT AS YET FIRMED UP THE DETAILS TO

BUILD A TWO-REACTOR NUCLEAR POWER STATION AT KOEBERG, TWENTY MILES NORTH OF CAPETOWN, AND THE AGREEMENT WAS AMENDED TO PERMIT THE EXPORT OF THE FUEL NEEDED FOR 2000 MWE OF NUCLEAR POWER CAPACITY. THIS AMENDMENT, LIKE THE ORIGINAL AGREEMENT AND EARLIER AMENDMENTS, WAS SUBMITTED TO THE JOINT COMMITTEE ON ATOMIC ENERGY, FOR A 30-DAY STATUTORY WAITING PERIOD. SOUTH AFRICA SUBSEQUENTLY SIGNED CONTRACTS WITH THE ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION FOR THE SUPPLY OF, AT UNDETERMINED FUTURE

DATES, THE LOW-ENRICHED URANIUM NEEDED FOR THE KOEBERG POWER STATION, CURRENTLY BEING BUILT UNDER AN AGREEMENT WITH THE FRENCH.

THE US-SOUTH AFRICA AGREEMENT CONTAINS STRICT SAFEGUARDS, CURRENTLY BEING IMPLEMENTED BY THE INTERNATIONAL ATOMIC ENERGY AGENCY, DESIGNED TO DETECT, AND THEREBY DETER, DIVERSION TO ANY MILITARY PURPOSE. IN ADDITION, WE SENT SOUTH AFRICA A NOTE IN 1974 MAKING IT CLEAR THAT ANY NUCLEAR EXPLOSION, REGARDLESS OF ITS STATED PURPOSE, WAS PROHIBITED BY THE AGREEMENT.

SOUTH AFRICA EXPORTS URANIUM ORE CONCENTRATE TO A NUMBER OF WESTERN EUROPEAN COUNTRIES, AND HAS ALSO SOLD URANIUM TO SUCH OTHER COUNTRIES AS TAIWAN AND ISRAEL. SOUTH AFRICA HAS REQUIRED APPLICATION OF IAEA SAFEGUARDS TO ALL URANIUM IT HAS EXPORTED, AND IS ON RECORD AS INTENDING TO CONTINUE THAT POLICY.

IN THE NEXT DECADE, SOUTH AFRICA INTENDS TO ESTABLISH A UNCLASSIFIED

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COMMERCIAL URANIUM ENRICHMENT PLANT AND THUS TO BE IN A POSITION TO EXPORT LOW ENRICHED URANIUM FOR USE AS FUEL IN NUCLEAR POWER REACTORS.

SOUTH AFRICA IS NOT ENGAGED IN THE EXPORT OF NUCLEAR TECHNOLOGY, AND WE HAVE NO INDICATION THAT IT HAS ANY PLANS TO DO SO. RATHER, IT IS OUR UNDERSTANDING THAT SOUTH AFRICA FORESEES A ROLE AS A SUPPLIER OF "FRONT-END" NUCLEAR FUEL SERVICES FOR FOREIGN NUCLEAR POWER PROGRAMS.

POLITICAL IMPLICATIONS OF NUCLEAR COOPERATION WITH A COUNTRY WHICH HAS NOT RATIFIED THE NON-PROLIFERATION TREATY

WE ARE, OF COURSE, DEEPLY CONCERNED THAT SOUTH AFRICA HAS THUS FAR CHOSEN NOT TO ADHERE TO THE NON-PROLIFERATION TREATY, OR, AT A MINIMUM, PLACE ITS ENTIRE NUCLEAR PROGRAM UNDER IAEA SAFEGUARDS. THE KOEBERG POWER STATION WILL BE SAFEGUARDED PURSUANT TO A SOUTH AFRICA-FRANCE-IAEA TRILATERAL AGREEMENT AND IF US-ORIGIN FUEL IS UTILIZED THE REACTOR WOULD BE SAFEGUARDED PURSUANT TO THE

US-SOUTH AFRICA-IAEA TRILATERAL AGREEMENT. IN ADDITION, SOUTH AFRICA HAS STATED ITS WILLINGNESS TO ENTER INTO DISCUSSIONS WITH THE IAEA REGARDING PLACING ITS PLANNED COMMERCIAL-SCALE ENRICHMENT PLANT UNDER IAEA SAFEGUARDS. TO DATE, THERE HAS BEEN NO MOVEMENT ON ITS PILOT ENRICHMENT PLANT.

US POLICY IS TO ENCOURAGE THE WIDEST POSSIBLE ADHERENCE

TO THE NPT AND, PENDING ADHERENCE, THE APPLICATION OF FULL-SCOPE SAFEGUARDS. INDEED, AS I MENTIONED EARLIER, THIS WILL BE A REQUIREMENT IN ALL NEW OR AMENDED AGREEMENTS FOR COOPERATION. WITH REGARD TO EXISTING AGREEMENTS, SUCH AS THE ONE WE HAVE WITH SOUTH AFRICA, WE WILL BE ENTERING INTO NEGOTIATIONS WITH THE OBJECTIVE OF SECURING THE SAME CONDITIONS, INCLUDING FULL-SCOPE SAFEGUARDS, AS UNCLASSIFIED

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WE WILL REQUIRE IN NEW AGREEMENTS. IN UNDERTAKING ANY SUCH NEGOTIATIONS WITH SOUTH AFRICA, WE WOULD BE URGING IN THE MOST EMPHATIC TERMS THAT IT ADHERE TO THE NPT.

THIS CONCLUDES MY STATEMENT. DEPUTY ASSISTANT SECRETARY EDMONDSON AND I WILL BE HAPPY TO ATTEMPT TO ANSWER ANY QUESTIONS YOU MAY HAVE.
VANCE

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Legacy Key: link1977/newtext/t197707105/baaaetgf.tel
Line Count: 518
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Message ID: a1048762-c288-dd11-92da-001cc4696bcc
Office: ORIGIN AF
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 10
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: PRETORIA 3438
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 28-Sep-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1725576
Secure: OPEN
Status: NATIVE
Subject: NYE STATEMENT BEFORE SUBCOMMITTEE ON AFRICA
TAGS: PFOR, PARM, XA, US, (NYE)
To: ALL AFRICAN DIPLOMATIC POSTS BONN MULTIPLE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/a1048762-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009